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SUBJECT: BOSNIA: PIC CONFRONTS DETERIORATING POLITICAL SITUATION

Classified By: Ambassador Douglas L. McElhaney. Reasons 1.4 (b), (d)

Summary

¶1. (C) During the June 18-19 meeting of the Peace Implementation Council (PIC) in Sarajevo, Bosnian political leaders demonstrated little willingness to abandon the nationalist rhetoric and confrontational positions that have stalled the reform process and resulted in government paralysis. PM Spiri attempted to cast the last three months in a positive light by emphasizing the few positive achievements, including passage of the Law on Higher Education. However, Haris Silajdzic delivered a nationalist diatribe criticizing the international community for allowing "Milosevic's project" to remain in place and announced that he had sent a letter to the UN Secretary General demanding the "implementation" of the ICJ ruling. EU member states, the EU Presidency and the European Commission universally lamented Bosnia's failure to initiate an SAA and doubted the possibility that there would be any progress this year. EUR DAS Rosemary DiCarlo delivered a strongly worded statement that politicization of the ICJ verdict, particularly using the verdict to suggest extra-constitutional changes to the configuration of Bosnia, was unacceptable, a warning echoed by most PIC members. High Representative Schwarz-Schilling, in his farewell address to the PIC, suggested he would continue to work towards achieving political agreement on a constitutional reform commission in the Parliament during the final weeks of his tenure. The United States, joined by Germany representing the EU Presidency, replied that the initiative was premature. PIC members highlighted that Bosnia's neighbors were progressing steadily towards EU accession and that Bosnia risked being left behind in the region if it did not resume its reform agenda. End Summary

¶2. (C) During the opening plenary session of the June 18-19 Peace Implementation Council (PIC), Bosniak Presidency Member Haris Silajdzic set the tone for the remainder of the event. He rebuked the international community for supporting "ethno-territorial arrangements," in Bosnia that are a "direct result of genocide" through "partial and selective implementations" of Dayton. He asserted that his position was not nationalistic but simply opposition to "those who want to keep Milosevic's project alive." Silajdzic announced that, joined by Croat Presidency member Zeljko Komsic, he had dispatched a letter to UN Secretary General Ban Ki-moon asking for assistance in "implementing" the February 26 verdict of the International Court of Justice (ICJ) and transforming Bosnia into a modern state with "equality and justice for all its people." In his own address, Croat Presidency Member Zeljko Komsic adopted an unusually confrontational stance, accusing the international community of ignoring Croat interests and stating that Croats will never accept any political arrangements that were decided without their direct involvement. Serb Presidency

member Nebojsa Radmanovic said that political deadlock was created by those who sought to eliminate the Republika Srpska and that the international community has encouraged this challenge to Dayton by not taking action against its proponents. Attending the events as an observer, incoming High Representative Miroslav Lajcak said that he would listen carefully to all opinions, but urged Bosnian political leaders to pay close attention to the recommendations of PIC representatives.

Spiric Looks for the Positive

¶13. (C) During his address to PIC representatives on behalf of the Council of Ministers, Prime Minister Nikola Spiric attempted to highlight positive developments during the past three months. Spiric briefed on economic growth, low inflation, VAT revenues, and the passage of the Law on Secondary and Higher Education. However, these achievements were overshadowed by the disappointments in other areas. PIC representatives reiterated a hope that the political parties would leave their nationalist agendas behind and work in the interests of Bosniacs as a whole, emphasizing the need for Bosnian initiative in the reform process and the future stability and sustainability of their country.

Police Reform and the SAA

¶14. (C) In their comments to the Plenary Session, the PIC agreed that developments over the past three months were deeply troubling. EU member state representatives expressed particular concern over the collapse of Stabilization and Association Agreement (SAA) talks as a result of stalled police reform negotiations. The EC delegation reiterated

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that intra-EU SAA negotiations are complete and language of a draft agreement had been approved by all member states. With the passage of the Law on Secondary and Higher Education only two conditions remained for the Commission to initial the agreement with Bosnia; improved cooperation with the ICTY, and a political agreement on police reform. Since ICTY Chief Prosecutor Carla Del Ponte would state in her June 21 report to the Security Council that Bosnia's ICTY compliance had significantly improved, only police reform remained as an impediment. Both the EU Presidency and Commission representatives expressed resolve to remain steadfast in applying SAA conditionality to a police reform agreement. However, the Commission noted that the three EU principles were silent on the continued existence of the RS police and lamented that the current standoff between Milorad Dodik and Haris Silajdzic over the name of the RS Police was an issue that had no bearing on Bosnia's SAA requirements.

¶15. (C) During the open plenary session PIC representatives warned Bosnian political leaders that, as a result of the stalemate over police reform, other Western Balkan countries are drawing further ahead in their respective SAA processes, and that Bosnia risks being left behind. German representative Haber acknowledged that, given the intransigence of Silajdzic, there were no near-term prospects for a breakthrough agreement on police reform. The conclusion of an SAA with Bosnia had been an important objective for the German EU Presidency and its failure was a deep disappointment in Berlin. During his presentation at the open session, PM Spiric called for a police reform "road map," deferring the decision over the name and jurisdiction of local police districts for several years. However Principal Deputy High Representative Raffi Gregorian pointed out that the October 2005 agreement and the Police Reform Directorate report are already a roadmap.

Constitutional Reform

¶6. (C) Bosnian political leaders staked out familiar positions on constitutional reform, and EU PIC members urged the de-linking of constitutional and police reform for the sake of the SAA. During the closed meeting of Political Directors, High Representative Christian Schwarz-Schilling returned to his plans to push through an agreement among political parties establishing a constitutional reform commission and secretariat in the state Parliament. He believes he can achieve a breakthrough during his remaining weeks in office if the proposal put aside substance and addressed only the organizational structure of the commission. PIC members were ambivalent. DAS DiCarlo replied that constitutional reform will be an issue for the new High Representative to take up when he assumes office and that it was clear that certain visions for the future of police reform were premature. German representative Haber stated that her government sought to avoid a situation that would allow the parties to continue to use police reform as a political football. In an implicit criticism of the High Representative's initiative, Haber stated that constitutional reform must not be about process but rather a complete package that should be taken up by the new High Representative.

Srebrenica and the ICJ

¶7. (C) PIC representatives universally expressed concern over the post-ICJ polarization of the Bosnian political landscape. In remarks following the Silajdzic speech, DAS DiCarlo stated that the nationalist rhetoric that has emerged on all sides in Bosnia is irresponsible. She noted that the ICJ has no jurisdiction over the constitutional structure of Bosnia and claims that it does are dangerous and destabilizing, just as are calls for referenda on RS status. The United States and the international community have done a great deal for Srebrenica in recent years and the focus should be on improving the situation, rather than manipulating the ICJ ruling. The UK, Russian, European Commission, and German delegations all spoke in support of the U.S. position. The Russian representative stated that his government "fully agrees with the U.S. view" on the legal implications of the ICJ verdict and criticized recent "anti-Dayton" rhetoric. The UK representative added that while the world cannot ignore the ICJ finding of genocide, it is not a justification for special status for Srebrenica. The UK delegation also criticized inflammatory statements from Banja Luka that have contributed to the deteriorating political climate. Only Turkey was more circumspect in its response, expressing its support for the May OIC resolution urging that the ICJ verdict be "fully implemented." In the subsequent closed session of the PIC, the Turkish delegation suggested that it

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agreed with the Silajdzic assertion that the Draft Articles on the Responsibility of States for International Wrongful Acts were applicable to the ICJ verdict.

Comment

¶8. (C) The mood among representatives at the PIC was remarkably pessimistic. Haris Silajdzic's speech during the opening plenary session generated palpable surprise among PIC members and, in comments on the margins of PIC events, many remarked that they had not heard such rhetoric since before the war. This surprise resulted in a strongly worded communique calling attention to the PIC's "grave concern" over the situation in Bosnia and attributing responsibility to political leaders who have "blocked progress" and used "aggressive rhetoric." The press reacted swiftly to the communique with many outlets and observers calling the communique a "turning point" in Bosnian history. Milorad Dodik and Haris Silajdzic felt it necessary to react to the implied threat of punitive action, albeit defiantly, with Dodik again stating he could rely on thousands of RS voters

to take to the streets should he be removed. Despite the communique, PIC members offered few suggestions on breaking the political deadlock and getting the reform process back on track. It is clear that most PIC members, particularly EU member states, are looking forward to new High Representative Lajcak's assumption of office and the end to a disastrous sixteen months under Christian Schwarz-Schilling. End comment.

¶ 9. (U) EUR DAS Rosemary DiCarlo cleared this message.

MCELHANEY